



DEPARTMENT OF PARKS AND RECREATION

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**STATE PARK AND RECREATION COMMISSION MEETING
KINGS BEACH, CALIFORNIA**

October 18, 2018

STAFF REPORT: Beach Stand and Catering
Doheny State Beach

STAFF: Anne Davigeadono

SUBJECT: Request for the SPRC Commission to determine the concession's compatibility with the Park's General Plan and Park Unit Classification.

I DEPARTMENT RECOMMENDATION

The Department of Parks and Recreation (Department) requests the Commission determine the continued operation and development of a beach stand and catering concession at Doheny State Beach (SB) through a concession contract is compatible with the unit classification and the General Plan. This project is presented in accordance with Public Resources Code § 5080.20 because the estimated annual gross sales will exceed \$1,000,000.

II PROJECT DESCRIPTION

Doheny SB is a 62 acre beach park located in Dana Point, midway between Los Angeles and San Diego. The park provides 120 overnight camping sites and extensive day-use development, which can accommodate 1,150 vehicles. Due to its proximity to the Los Angeles metropolitan area, favorable year round weather conditions, and natural ocean front setting, Doheny SB attracts over 1,000,000 visitors annually, including over 100 large annual picnic groups.

The park is divided into three visitor use areas. Concession facilities and services are confined primarily to the North Day Use Area, located northwest of San Juan Creek. The North Day Use Area encompasses approximately 13 acres for day use, parking for approximately 700 cars, 10 acres of beach, a native plant garden, a butterfly garden with a picnic area, and a visitor center that contains a gift shop, a natural history museum, aquariums and a simulated tide pool.

The current 10 year concession contract with Freetime Inc. dba Wheel Fun Rentals expired April 30, 2017 and is operating on month-to-month status. The operation includes a beach stand facility and an area to facilitate the catering operation for group picnic sites. The snack bar at the beach stand and all catering functions are operated by a sub-concessionaire known as the Doheny Food Company. They serve full meals and snack items as well as beer and wine for on premise consumption. The beach stand also rents out various recreational equipment and sells beach related sundries.

The new 10 year contract with an optional five year extension will require, at a minimum, an annual rent of \$125,000 or 7% of annual gross receipts, whichever amount is greater, plus 5% of total gross receipts to be deposited into a Facility Improvement Account for ongoing facility repairs and maintenance.

A minimum investment of \$250,000 for facility improvements will be required. At a minimum, improvements and upgrades will include new kitchen equipment, repairing the seawall, updating picnic tables, demolishing an existing bandstand, and updating the outdoor premises. Qualified expenditures that fund permanent improvements to the premises may be allowed to be deducted from rent.

Services for the new contract will include hot and cold food sales, the sale of beer and wine with meals, beach and camping sundries for purchase, and a catering service for group picnics and special events held at the park.

The exact annual rent, investment, and development will be established through the competitive bid process.

III CLASSIFICATION AND GENERAL PLAN

Park Classification: This unit is classified as a “State Beach” as provided for in Public Resources Code § 5019.56(c), which states: “State beaches, consisting of areas with frontage on the ocean, or bays designed to provide swimming, boating, fishing, and other beach-oriented recreational activities. Coastal areas containing ecological, geological, scenic, or cultural resources of significant value shall be preserved within state wildernesses, state reserves, state parks, or natural or cultural preserves, or, for those areas situated seaward of the mean high tide line, shall be designated state marine reserves, state marine parks, state marine conservation areas, or state marine cultural preservation areas.”

Consistent with the General Plan: Doheny SB’s General Plan was approved in 1972 and amended in 2004. The concessions section in the amendment states “The concessions program provides a very important part of the visitors’ experience. Concessionaires offer the facilities, services, and goods that the State could not otherwise provide, ranging from traditional food services and campground grocery stores, to beach equipment and bicycle rentals.”

IV PREVIOUS COMMISSION ACTIONS

In Resolution 24-2005, adopted April 8, 2005, the Commission found the beach stand concession at Doheny SB was compatible with the classification of the unit and the park's General Plan.

V PUBLIC INPUT PROCESS

Following approval by the Commission and notice to the Joint Legislative Budget Committee, the Department will prepare and advertise to the public an RFP in accordance with PRC Section § 5080.23(b). The competitive process provides for public input.

VI LEGAL ISSUES

There are no known legal issues relating to the Commission's approval of this project.

VII FISCAL IMPACT TO STATE

Following is the fiscal impact during the past five reported years of this concession operation.

Fiscal Year	Gross Receipts	Rent to State
2016/17	\$1,368,821	\$246,015
2015/16	\$1,110,110	\$199,319
2014/15	\$626,050	\$106,772
2013/14	\$330,274	\$85,962
2012/13	\$337,324	\$60,718

VIII RESULT OF NO ACTION BY COMMISSION

If there is no action by the Commission the concession contract will continue to operate on month-to-month status. The Department will lose the opportunity for increased revenue as well as facility improvements established through the competitive bid process.

ATTACHMENTS

Appendix A: Public Resources Code Sections §§ 5080.20, 5019.56, 5080.23

California State Park and Recreation Commission Resolution 24-2005

Appendix A

Public Resources Codes

5080.20. A contract, including a contract entered into on lands operated pursuant to an agreement entered into under Article 2 (commencing with Section 5080.30), that is expected to involve a total investment or estimated annual gross sales in excess of one million dollars (\$1,000,000), shall not be advertised for bid, negotiated, renegotiated, or amended in any material respect unless and until all of the following requirements have been complied with:

- (a) The commission has reviewed the proposed services, facilities, and location of the concession and determined that they meet the requirements of Sections 5001.9 and 5080.03 and are compatible with the classification of the unit in which the concession will be operated.
- (b) At least 30 days advance written notice of the proposed concession has been provided by the director to the appropriate policy and fiscal committees of the Legislature and the Joint Legislative Budget Committee.
- (c) The proposed concession is accompanied with documentation sufficient to enable the commission and the Joint Legislative Budget Committee to ascertain whether the concession will conform to the requirements of this article and to evaluate fully all terms on which the concession is proposed to be let, including the rent and other returns anticipated to be received.

5019.56. State recreation units consist of areas selected, developed, and operated to provide outdoor recreational opportunities. The units shall be designated by the commission by naming, in accordance with Article 1 (commencing with Section 5001) and this article relating to classification.

In the planning of improvements to be undertaken within state recreation units, consideration shall be given to compatibility of design with the surrounding scenic and environmental characteristics.

State recreation units may be established in the terrestrial or nonmarine aquatic (lake or stream) environments of the state and shall be further classified as one of the following types:

- (a) State recreation areas, consisting of areas selected and developed to provide multiple recreational opportunities to meet other than purely local needs. The areas shall be selected for their having terrain capable of withstanding extensive human impact and for their proximity to large population centers, major routes of travel, or proven recreational resources such as manmade or natural bodies of water. Areas containing ecological, geological, scenic, or cultural resources of significant value shall be preserved within state wildernesses, state reserves, state parks, or natural or cultural preserves, or, for those

areas situated seaward of the mean high tide line, shall be designated state marine reserves, state marine parks, state marine conservation areas, or state marine cultural preservation areas.

Improvements may be undertaken to provide for recreational activities, including, but not limited to, camping, picnicking, swimming, hiking, bicycling, horseback riding, boating, waterskiing, diving, winter sports, fishing, and hunting.

Improvements to provide for urban or indoor formalized recreational activities shall not be undertaken within state recreation areas.

(b) Underwater recreation areas, consisting of areas in the nonmarine aquatic (lake or stream) environment selected and developed to provide surface and subsurface water-oriented recreational opportunities, while preserving basic resource values for present and future generations.

(c) State beaches, consisting of areas with frontage on the ocean, or bays designed to provide swimming, boating, fishing, and other beach-oriented recreational activities. Coastal areas containing ecological, geological, scenic, or cultural resources of significant value shall be preserved within state wildernesses, state reserves, state parks, or natural or cultural preserves, or, for those areas situated seaward of the mean high tide line, shall be designated state marine reserves, state marine parks, state marine conservation areas, or state marine cultural preservation areas.

(d) Wayside campgrounds, consisting of relatively small areas suitable for overnight camping and offering convenient access to major highways.

5080.23 (a) Notwithstanding any other provision of this article, with respect to concession contracts entered into on and after October 1, 1994, if the director determines that it is in the best interests of the state, the director may, upon giving notice to the State Parks and Recreation Commission, in lieu of the process for awarding contracts otherwise prescribed in this article, award contracts authorizing occupancy of any portion of the state park system for a period of more than two years to the best responsible person or entity submitting a proposal for a concession contract.

(b) For any concession contract authorizing occupancy by the concessionaire for a period of more than two years of any portion of the state park system that is entered into pursuant to this section, the department shall prepare a request for proposal, which shall include the terms and conditions of the concession sufficient to enable a person or entity to submit a proposal for the operation of the concession on the basis of the best benefit to the state. Proposals shall be completed only on the basis of the request for proposal.

(c) Any concession contract entered into pursuant to this section that is expected to involve a total investment or gross sales in excess of one million dollars (\$1,000,000) shall comply with the requirements for entry into contract that are set forth in Section 5080.20

(d) For purposes of this section, “best responsible person or entity submitting a proposal” means the person or entity submitting a proposal, as determined by specific standards established by the department that will operate the concession in the best interests of the state and the public.



Resolution 24-2005
Adopted by the
CALIFORNIA STATE PARK AND RECREATION COMMISSION
at its regular meeting in Sacramento on
April 8, 2005

WHEREAS, the Department of Parks and Recreation proposes to execute the following concession contract during the 2004-05 budget year:

Orange Coast District - Doheny SB - Beach Stand/Equipment Rentals

WHEREAS, the proposed concession complies with the requirements of Public Resources Code Section 5080.20 (a),

NOW, THEREFORE, BE IT RESOLVED that this Commission finds that the proposed concession meets the requirements of Public Resources Code Sections 5001.9 and 5080.3 and is compatible with the classification of the unit of the State Park System.